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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Observer Mission in Georgia

Financial performance report for the period from 1 July 2006 to 30 June 2007 and proposed budget for the period from 1 July 2008 to 30 June 2009 of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2006/07	$33,377,900
Expenditure for 2006/07	$32,297,900
Unencumbered balance for 2006/07	$1,080,000
Appropriation for 2007/08	$35,009,800
Projected expenditure for 2007/08[a]	$34,386,300
Estimated unencumbered balance for 2007/08[a]	$623,500
Proposal submitted by the Secretary-General for 2008/09	$34,740,700
Recommendation of the Advisory Committee for 2008/09	$34,740,700

[a] Estimates as at 31 January 2008.

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I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends approval of the Secretary-General's proposals for the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2008 to 30 June 2009 (see A/62/680).**

2. **The Advisory Committee's general report on administrative and budgetary aspects of the financing of the United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the present report, the Committee deals with resources and other items specifically relating to UNOMIG.**

3. **The documents reviewed and those used for background by the Advisory Committee in its consideration of the financing of UNOMIG are listed at the end of the report.**

II. Financial performance report for the period from 1 July 2006 to 30 June 2007

4. **The General Assembly, by its resolution 60/273, appropriated an amount of $33,377,900 for the maintenance of UNOMIG for the period from 1 July 2006 to 30 June 2007. Expenditure for the period totalled $32,297,900 gross ($30,156,400 net).**

5. **The resulting unencumbered balance of $1,080,000 gross ($994,900 net) represents, in gross terms, 3.2 per cent of the appropriation and reflects underexpenditures of $73,700 under military and police personnel; $375,900 under civilian personnel; and $630,400 under operational costs. Key variances include underexpenditures and savings attributable to:**

(a) Higher vacancy rates than budgeted for United Nations police and international staff;

(b) Underexpenditures under general temporary assistance owing to difficulties in recruiting conduct and discipline personnel;

(c) Rationalization of the flight schedule for fixed-wing aircraft;

(d) A reduced level of acquisition of communications equipment owing to enhancement of the capability and coverage of the existing telephone system.

Underexpenditures were offset in part by increased requirements relating to the revision of the salary scale for national staff and to the Mission's unbudgeted share of the financing of the Procurement Task Force (reflected under other supplies, services and equipment).

6. **The Advisory Committee notes that during the period 2006/07 the political situation in the Mission area was marked by an escalation of tension and a lack of regular dialogue between the parties. As reflected in section II of the performance report (A/62/633), those factors have had a negative impact on the ability of the Mission to complete a number of planned outputs (see para. 14 below).**

7. The comments of the Advisory Committee on the information presented in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2008 to 30 June 2009 (A/62/680) below.

III. Information on performance for the current period

8. The Advisory Committee was informed that as at 30 November 2007, a total of $345,358,000 had been assessed on Member States in respect of UNOMIG since its inception. Payments received as at the same date amounted to $323,982,000, leaving an outstanding balance of $21,376,000. As at 4 February 2008, the Mission had cash resources of $2,700,000 (excluding a current loan of $1 million). The Mission's available cash balance therefore will not cover the three-month operating cash reserve of $8,729,000. The Committee once again expresses concern at the precarious financial situation of the Mission (see A/60/810, para. 10, and A/61/852/Add.10, para. 10).

9. The Advisory Committee was informed that as at 31 December 2007, $92,900 was owed for contingent-owned equipment. In respect of death and disability compensation, as at 29 February 2008 $426,000 had been paid since inception for nine claims, no claims were pending and unliquidated obligations amounted to $136,500.

10. The Advisory Committee was informed that as at 31 January 2008, the incumbency for UNOMIG for the 2007/08 period was as follows:

Category of personnel	*Authorized*[a]	*Encumbered*	*Vacancy rate (percentage)*
Military observers	136	130	4.4
United Nations police	20	15	25
International staff	116	98	15.5
National staff	191	184	3.7
United Nations Volunteers	1	1	—

[a] Represents the highest authorized strength for the period.

11. The Advisory Committee was provided with a table on current and projected expenditures for the 2007/08 period (see annex I). Current expenditures for the period as at 31 January 2008 amounted to $19,240,300 against an apportionment of $35,009,800. For the entire financial period, current and projected expenditures amount to $34,386,300, leaving a projected unencumbered balance of $623,500.

12. The Advisory Committee notes that projected underexpenditures relate primarily to lower-than-budgeted deployment rates for military observers and United Nations police and higher-than-budgeted vacancy rates for international staff.

IV. Proposed budget for the period from 1 July 2008 to 30 June 2009

A. Mandate and planned results

13. The mandate of UNOMIG was established by the Security Council in its resolution 858 (1993) and expanded in its resolution 937 (1994). By its resolution 1781 (2007), the Council decided to extend the mandate of the Mission until 15 April 2008.

14. The Advisory Committee notes that, as reflected in both the performance report and the proposed budget, some indicators of achievement in the logical framework for the Mission are formulated in a manner that appears to place the burden of the political impasse on the Mission (see para. 6 above) in that they depend on external factors that are beyond the Mission's control. In this connection, the Committee recalls section II, paragraph 5, of General Assembly resolution 59/296, in which the Assembly requested the Secretary-General to ensure that the purpose of the indicators of achievement was not to assess the performance of Member States but, where possible, to reflect the contributions by peacekeeping missions to the expected accomplishments and objectives in keeping with their respective mandates.

B. Resource requirements

15. The proposed budget for UNOMIG for 2008/09 (A/62/680) amounts to $34,740,700 gross ($32,316,700 net), representing a decrease of $269,100, or 0.8 per cent, in gross terms, in comparison with the apportionment of $35,009,800 for 2007/08. The budget provides for the deployment of 136 military observers, 20 United Nations police officers, 115 international staff, 211 national staff (including 1 temporary position) and 1 United Nations Volunteer.

1. Military and police personnel

Category	*Approved 2007/08*	*Proposed 2008/09*	*Variance*
Military observers	136	136	—
United Nations police	20	20	—

16. The estimated requirements for military and police personnel for the period from 1 July 2008 to 30 June 2009 amount to $4,733,900, reflecting a decrease of $41,600, or 0.9 per cent, in comparison with the apportionment for 2007/08. A 2 per cent vacancy factor has been applied to the estimates for military observers.

2. Civilian personnel

Category	Approved 2007/08	Proposed 2008/09	Variance
International staff	116	115	(1)
National Officers	0	2	2
National General Service staff	191	208	17
United Nations Volunteers	1	1	—
Temporary positions	1	1	—

17. The estimated requirements for civilian personnel for the 2008/09 period amount to $20,001,800, reflecting a decrease of $100,400, or 0.5 per cent, in comparison with the apportionment for 2007/08. Reduced requirements are attributable to the proposed abolition of 2 Field Service posts under the support component, offset in part by the establishment of 1 P-4 post under the substantive civilian component and 19 national posts, including 2 National Officers. The estimated requirements reflect the application of vacancy factors of 10 per cent for international staff and 1 per cent for national staff.

18. The Advisory Committee notes that in the proposed budget there are a number of instances in which an existing post that was intended to cover a certain function is proposed for redeployment to cover an unrelated function. For example, it is proposed that a Security Officer (Field Service) post be redeployed to allow for the upgrading of the post of Cashier from national General Service to Field Service (see A/62/680, paras. 28 and 33). Similarly, the redeployment of an Interpreter/Translator post is proposed in order to establish a Training Officer post. Upon enquiry, it was clarified to the Committee that the posts being redeployed were vacant. **The Committee cautions that, in the interest of budgetary transparency, vacant posts that are no longer required should be abolished, and requests for new posts and upgrades should be fully justified.**

19. A summary of the staffing changes proposed for UNOMIG for the 2008/09 period, including redeployments, is contained in annex II below. **Subject to the observations in the paragraphs below, the Advisory Committee recommends approval of the staffing proposals put forward by the Secretary-General.**

20. With regard to the vacancy factor applied to international staff, the Advisory Committee notes that the actual vacancy rate for 2006/07 was 15.5 per cent, while a factor of 10 per cent was budgeted (see A/62/633, para. 9). As at 31 January 2007, the rate was still 15.5 per cent, although 10 per cent was budgeted for the 2007/08 period. In view of this past experience, the Committee enquired as to why a 10 per cent factor was being applied to the estimates for 2008/09. It was informed that half of the vacancies were in the Security Office. Of those, two were to be abolished (see A/62/680, para. 27), and the recruitment process was ongoing for the remaining vacant posts. The Committee was also informed that the current vacancy rates reflected the recent loss of seven national staff as the result of their assignment as international staff to other peacekeeping operations.

21. The Advisory Committee notes that the establishment of special assistant posts (1 P-3 and 1 P-2) for both the Special Representative and the Deputy Special Representative is proposed through the redeployment of existing posts. Upon

enquiry, the Committee was informed that those functions were currently being carried out and that the request was merely to regularize the situation.

22. As indicated in paragraph 31 of the proposed budget, 16 new national General Service posts are requested for Security Guards to replace the currently outsourced security guards employed under an existing commercial contract that is to be partially phased out in the 2008/09 period. Upon enquiry, the Advisory Committee was informed that reviews conducted by the Department of Safety and Security in 2005 and 2007 had identified a number of concerns regarding the outsourced Security Guards that underpinned the recommendation to establish posts to carry out that function. **The Committee recommends that the process of replacing the outsourced guards with national staff be carefully monitored and that an evaluation of the results be reported in the next budget submission.**

23. With regard to the Training Officer (Field Service) post proposed for establishment through the redeployment of an existing post from the Office of the Special Representative, the Advisory Committee was informed that UNOMIG had been utilizing the services of a military training officer for the provision of orientation training to all new staff in the Mission. As the officer is scheduled to leave the Mission in May 2008, it has been determined that the establishment of a post for a Training Officer would be required to address the ongoing training needs of the Mission. The Committee was informed that, apart from the benefits the Mission would derive from having a dedicated Training Officer to design and develop a programme specific to the Mission's requirements, the establishment of a post is considered a cost-effective option alternative to training staff outside of the Mission area, as it would result in savings on travel and related costs and shorten absences of staff for training.

24. The Advisory Committee notes that the staffing of the Mission continues to include only one United Nations Volunteer. **The Committee recommends that the Mission explore the possibility of expanding its use of United Nations Volunteers, inter alia, to improve training in the Mission.**

3. Operational costs

(United States dollars)

Approved 2007/08	*Proposed 2008/09*	*Variance*
10 132 100	10 005 000	(127 100)

25. The estimated operational requirements for 2008/09 reflect a decrease of $127,100, or 1.3 per cent, in comparison with the apportionment for 2007/08. Major factors contributing to the decrease include a reduction in the cost of flight hours for one fixed-wing aircraft and one helicopter. This is offset in part by increases relating to the higher cost of outsourced maintenance services, an increase in the number of outsourced residential watchmen to ensure compliance with minimum operating residential security standards, the replacement of nine generators and the higher cost of travel to Brindisi.

26. On the recommendation of the Advisory Committee (A/60/810, para. 27), UNOMIG undertook a review of its flight schedule to Istanbul and Trabzon, Turkey, which resulted in a reduction of the flight hours for fixed-wing aircraft in 2006/07

(520 actual against 723 budgeted). The savings thus achieved, together with a lower cost per flight hour for the rotary-wing aircraft ($250 actual against $600 budgeted) and reduced requirements for liability insurance and handling charges, amount to $332,300 (see A/62/633, para. 15). The proposed budget for air operations in 2008/09 reflects a reduction of $368,800 in comparison with the apportionment for 2007/08, which is attributable mainly to the reduction in the cost of flight hours (see A/62/680, para. 60). **The Committee welcomes the efforts by the Mission and Headquarters to rationalize air operations.**

27. The Advisory Committee notes from supplementary information provided to it that reduced costs are reported under spare parts and supplies in the performance report for 2006/07 because adequate stock had been obtained in previous periods. Upon enquiry, the Committee was informed that spare parts can take up to 10 months to arrive. The Committee was informed that the United Nations Logistics Base (UNLB) did not serve as a central warehouse for such items. The Committee was further informed that guidance with regard to spare parts and supplies was provided to the Mission by the Logistics Support Division and the Communications and Information Technology Service of the Department of Field Support, using a balance of standard ratios and historical usage, and that the Mission endeavoured to stay within the guidelines. **The Committee is of the view that possibilities for UNLB to provide support to UNOMIG in the area of stock management should be explored.**

28. The Advisory Committee notes from the performance report for 2006/07 that goals for reducing the number of major car accidents in the Mission had not been attained. The Committee recalls, as indicated in the proposed budget for UNOMIG for 2007/08, that CarLog has been installed in 165 of the total fleet of 183 vehicles (see A/61/764 and Corr.1, sect. V.C). It also notes that, through the enforcement of a strict driver programme coupled with stringent monitoring of speeding with data provided by the CarLog system, the Mission expects to be able to reduce the number of major car accidents from 20 in 2006/07 to 9 in 2007/08 to 8 in 2008/09 (see A/62/680, indicator of achievement 4.1.3). **The Committee encourages the Mission to act on the information generated by CarLog. The Committee notes the steps taken by the Mission to reduce the number of car accidents and expects that the next performance report will reflect improvements in that regard.**

V. Conclusion

29. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2006 to 30 June 2007 is indicated in paragraph 19 of the performance report (A/62/633). **The Advisory Committee recommends that the unencumbered balance of $1,080,000, as well as other income and adjustments in the amount of $826,700, be credited to Member States in a manner to be determined by the Assembly.**

30. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2008 to 30 June 2009 is indicated in paragraph 64 of the proposed budget (A/62/680). **The Advisory Committee recommends that, should the Security Council decide to extend the mandate of**

the Mission beyond 15 April 2008, the General Assembly appropriate an amount of $34,740,700 for the maintenance of the Mission for 2008/09.

Documentation

- **Performance report on the budget of the United Nations Observer Mission in Georgia for the period from 1 July 2006 to 30 June 2007 (A/62/633)**
- **Budget for the United Nations Observer Mission in Georgia for the period from 1 July 2008 to 30 June 2009 (A/62/680)**
- **Report of the Secretary-General to the Security Council on the situation in Abkhazia, Georgia (S/2008/38)**
- **Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report and proposed budget of the United Nations Observer Mission in Georgia (A/61/852/Add.10)**
- **Security Council resolutions 937 (1994), 1462 (2003), 1494 (2003), 1524 (2004), 1554 (2004), 1582 (2005), 1615 (2005), 1656 (2006), 1666 (2006), 1752 (2007) and 1781 (2007)**
- **General Assembly resolutions 60/273 and 61/283 on the financing of the United Nations Observer Mission in Georgia**

Annex I

Current and projected expenditures

1 July 2007 to 30 June 2008

(Thousands of United States dollars)

		1 July 2007 to 31 January 2008		Projected 30 June 2008				
	Apportionment	Total expenditure	Unencumbered balance	Projected expenditure 1 February to 30 June 2008	Total expenditure including projected	Estimated unencumbered balance	Variance (percentage)	Reasons for variance
	(1)	(2)	(3) = (1) - (2)	(4)	(5) = (2) + (4)	(6) = (1) - (5)	(7) = (6) ÷ (1)	
Military and police personnel								
Military observers	4 066.0	2 356.4	1 709.6	1 560.1	3 916.5	149.5	3.7	The savings are due to a lower actual deployment rate compared to the rate budgeted.
Military contingents	64.7	64.7	—	—	64.7	—	—	
United Nations police	644.8	272.8	372.0	273.3	546.1	98.7	15.3	The savings are due to a lower actual deployment rate compared to the rate budgeted.
Formed police units	—	—	—	—	—	—	—	
Subtotal	4 775.5	2 693.9	2 081.6	1 833.4	4 527.3	248.2	5.2	
Civilian personnel								
International staff	16 219.3	8 478.8	7 740.5	7 740.5	16 219.3	—	—	
National staff	3 790.2	1 862.9	1 927.3	1 561.6	3 424.5	365.7	9.6	The savings are due to a high vacancy rate compared to the rate budgeted resulting from the high turnover of staff.
United Nations Volunteers	43.4	26.0	17.4	12.9	38.9	4.5	10.4	The anticipated saving is due to the fact that a staff member is located in Tbilisi instead of Gali and is, therefore, not entitled to hazard pay.
General temporary assistance	49.3	28.9	20.4	16.5	45.4	3.9	7.9	The savings are due to the delayed recruitment of staff of the Conduct and Discipline Team; the recruitment process will be completed by the end of February 2008.
Subtotal	20 102.2	10 396.6	9 705.6	9 331.5	19 728.1	374.1	1.9	
Operational costs								
Government-provided personnel	—	—	—	—	—	—	—	

	1 July 2007 to 31 January 2008				Projected 30 June 2008			
	Apportionment	Total expenditure	Unencumbered balance	Projected expenditure 1 February to 30 June 2008	Total expenditure including projected	Estimated unencumbered balance	Variance (percentage)	Reasons for variance
	(1)	(2)	(3) = (1) - (2)	(4)	(5) = (2) + (4)	(6) = (1) - (5)	(7) = (6) ÷ (1)	
Civilian electoral observers	—	—	—	—	—	—	—	
Consultants	—	5.2	(5.2)	—	5.2	(5.2)	—	
Official travel	518.2	337.6	180.6	180.6	518.2	—	—	
Facilities and infrastructure	2 462.2	1 340.0	1 122.2	1 116.7	2 456.7	5.5	0.2	
Ground transportation	1 674.7	1 222.9	451.8	451.7	1 674.6	0.1	0.0	
Air transportation	2 687.0	1 583.2	1 103.8	1 103.0	2 686.2	0.8	0.0	
Naval transportation	—	—	—	—	—	—	—	
Communications	1 436.9	951.7	485.2	485.5	1 437.2	(0.3)	(0.0)	
Information technology	828.5	450.4	378.1	378.1	828.5	—	—	
Medical	46.5	47.8	(1.3)	18.7	66.5	(20.0)	(43.0)	The overexpenditure is due to higher requirements for medical evacuation.
Special equipment	5.8	6.3	(0.5)	0.1	6.4	(0.6)	(10.3)	Actual cost of equipment is higher than budgeted.
Other supplies, services and equipment	472.3	204.7	267.6	246.7	451.4	20.9	4.4	
Quick-impact projects	—	—	—	—	—	—	—	
Subtotal	10 132.1	6 149.8	3 982.3	3 981.1	10 130.9	1.2	0.0	
Gross requirements	35 809.8	19 240.3	15 769.5	15 146.0	34 386.3	623.5	1.8	
Staff assessment income	2 372.9	907.1	—	—	907.1	1 465.8	61.8	
Net requirements	32 636.9	18 333.2	15 769.5	15 146.0	33 479.2	(842.3)	(2.6)	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	35 809.8	19 240.3	15 769.5	15 146.0	34 386.3	623.5	1.8	

Annex II

Summary of proposed changes

1 July 2008 to 30 June 2009

Office/Section/Unit	*Number*	*Level*	*Description*
Executive direction and management			
Office of the Special Representative of the Secretary-General	-1	P-4	Political Affairs Officer. Post redeployed to the Political/Civil Affairs/Public Information Office.
	+1	P-3	Special Assistant to the Special Representative. Post (Political/Civil Affairs Officer) redeployed from the Political/Civil Affairs/Public Information Office.
	-1	FS	Interpreter/Translator. Post redeployed to the Personnel Office as a Training Officer.
	-1		
Office of the Deputy Special Representative of the Secretary-General	+1	P-2	Special Assistant to the Deputy Special Representative. Post (Secretary to the Joint Fact-Finding Group) redeployed from the Office of the Chief Military Observer.
	+1	NGS	Driver. Post redeployed from the Office of the Chief, Mission Support Division.
	+2		
Component 1: substantive civilian			
Political/Civil Affairs/Public Information Office	+1	P-4	Political Affairs Officer. Post redeployed from the Office of the Special Representative.
	+1	P-4	Political/Civil Affairs Officer. New.
	-1	P-3	Political/Civil Affairs Officer. Post redeployed to the Office of the Special Representative as a Special Assistant.
	+2	NPO	Civil Affairs Officers. New.
	+3		
Human Rights Office	+1	NGS	Human Rights Programme Assistant. New.
	+1		
Component 2: military			
Office of the Chief Military Observer			
Joint Fact-Finding Group	-1	P-2	Secretary to the Joint Fact-Finding Group. Post redeployed to the Office of the Deputy Special Representative as a Special Assistant.
	-1		

Office/Section/Unit	*Number*	*Level*	*Description*
Component 3: United Nations police			
Office of the United Nations Police Adviser			
Tbilisi Team	**-1**	**NGS**	**Language Assistant. Post redeployed to the Gali Team.**
Zugdidi Team	**+2**	**NGS**	**Language Assistant. Posts redeployed from the Sukhumi Team.**
Gali Team	**+1**	**NGS**	**Language Assistant. Post redeployed from the Tbilisi Team.**
Sukhumi Team	**-2**	**NGS**	**Language Assistant. Posts redeployed to the Zugdidi Team.**
	—		
Component 4: support			
Security Office	**-2**	**FS**	**Security Officers. Abolished.**
	-1	**FS**	**Security Officer. Post redeployed to the Finance Officer as a Cashier.**
	-1	**FS**	**Security Officer. Post redeployed to the General Services Office as a Travel Assistant.**
	+1	**NGS**	**Security Guard. Post (Cashier) redeployed from the Finance Office.**
	+1	**NGS**	**Security Guard. Post (Travel Assistant) redeployed from General Services Office.**
	+16	**NGS**	**Security Guards. New.**
	+14		
Office of the Chief, Mission Support Division	**-1**	**NGS**	**Driver. Post redeployed to the office of the Deputy Special Representative as a Driver.**
	-1		
Finance Office	**+1**	**FS**	**Cashier. Post (Security Officer) redeployed from the Security Office.**
	-1	**NGS**	**Cashier. Post redeployed to the Security Office as a Security Guard.**
	—		
Personnel Office	**+1**	**FS**	**Training Officer. Post (Interpreter/Translator) redeployed from the Office of the Special Representative.**
	+1		
General Services Office	**+1**	**FS**	**Travel Assistant. Post (Security Officer) redeployed from the Security Office.**
	-1	**NGS**	**Travel Assistant. Post redeployed to the Security Office as a Security Guard.**
	—		

Office/Section/Unit	*Number*	*Level*	*Description*
Total			
International	**-1**		
National	**+19**		
	+18		

***Abbreviations*: FS, Field Service; NGS, national General Service; NPO, National Professional Officer.**